

BOROUGH OF CONSHOHOCKEN
MONTGOMERY COUNTY, PENNSYLVANIA

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE PARTICIPATION OF THE BOROUGH OF CONSHOHOCKEN IN THE DELAWARE VALLEY PROPERTY & LIABILITY TRUST FOR THE PURPOSE OF POOLING LIABILITY RISKS WITH OTHER TRUST PARTICIPANTS IN ACCORDANCE WITH THE PENNSYLVANIA POLITICAL SUBDIVISION TORT CLAIMS ACT AND THE PENNSYLVANIA INTERGOVERNMENTAL COOPERATION LAW.

The Borough Council of the Borough of Conshohocken, Montgomery County, Pennsylvania does hereby **ENACT** and **ORDAIN**:

Section 1. That the President of the Borough of Conshohocken Council is hereby authorized to execute the Trust Agreement and any other agreements necessary for the participation of the Borough of Conshohocken in the Delaware Valley Insurance Trust, d/b/a the Delaware Valley Property & Liability Trust. The Delaware Valley Property & Liability Trust Agreement is attached hereto as **Exhibit "A"** and incorporated herein by reference. The Trust Agreement attached hereto is on file for inspection and review at the offices of the Borough of Conshohocken at 400 Fayette Street, Suite 200, Conshohocken, PA 19428.

Section 2. That the participation of the Borough of Conshohocken in the Delaware Valley Property & Liability Trust is authorized for the following purposes:

1. To provide adequate and affordable insurance coverage to each Trust Participant at the lowest possible cost by pooling or sharing of certain liability risks;
2. To reduce the amount and frequency of losses incurred by each Trust Participant which are covered under the Trust Coverage Document, which is attached hereto as **Exhibit "B"** and on file for inspection and review at the Borough office;
3. To minimize costs incurred by Trust Participants in the handling and litigation of claims; and
4. To protect each Trust Participant from the volatility and high premiums of the commercial insurance market.

Section 3. As set forth in the Trust Agreement and as otherwise stated herein, the following conditions apply to the participation of the Borough of Conshohocken in the Delaware Valley Property & Liability Trust:

1. That each Trust Participant must meet the admission and eligibility requirements set forth therein.
2. That each Trust Participant agrees to pay all annual premiums, contributions and assessments when due as provided in the Trust Agreement and By-Laws;
3. That each Trust Participant uses its best efforts to provide appropriations for the payment of any contributions, premiums and assessments required by the Trust;
4. That each Trust Participant institute any and all safety regulations, loss prevention measures or risk management procedures as may be required for the purpose of minimizing or eliminating hazards or risk that could contribute to losses;
5. That each Trust Participant cooperate fully with the Trust's service and fiscal agents, attorneys, claims adjusters and any agents or employees of the Trust with respect to the investigation, defense and settlement of claims;
6. That each Trust Participant designate a contact person to be responsible for all contacts with the Trust;
7. That each Trust Participant provide any information to the Administrator or Board of Trustees as may be required to effect the purposes and objectives of the Trust.

Section 4. That the Borough of Conshohocken agrees to participate in the Delaware Valley Property & Liability Trust for a minimum period of two (2) years and thereafter may withdraw under the following conditions, among others, under the Trust Agreement:

1. An opinion is rendered by the Trust certified actuary that withdrawal will not result in the number of Participants falling below the minimum required to assure the fiscal and actuarial soundness of the Trust itself;
2. That the withdrawing Participant is not then in default of its obligation to pay premiums, contributions or assessments;
3. That the withdrawing Participant shall forfeit any and all of its rights to any dividends and Rate Stabilization Fund monies to which it may otherwise be entitled during the last year of the Participant's membership in the Trust and at all times thereafter;

4. Upon effective date of withdrawal, or at any time thereafter, a Participant may be required to pay assessments as required by the Board of Trustees in accordance with the Trust Agreement and the By-Laws based on any deficits which were caused by any claims paid while that Participant was provided coverage under the Trust Coverage Document; and
5. That the Board of Trustees shall have received a certification from the Trust actuary that the withdrawal of the Participant will not reduce the actuarial soundness of the Trust and, if any municipal debt has been incurred by the Participants to finance any portion of the Trust reserves, an opinion is obtained from bond counsel that such withdrawal will not adversely affect the tax-exempt status of any interest paid and any debt incurred by the Participants, or any legal entity created for the purpose of incurring such debt.

Section 5. The effective date of the participation of the Borough of Conshohocken in the Delaware Valley Property & Liability Trust will be April 1, 2018.

Section 6. Each Trust Participant delegates to the Board of Trustees of the Delaware Valley Property & Liability Trust the powers enumerated in the Trust Agreement, including the rights to accept new Participants and expel Participants under certain conditions.

Section 7. As set forth in the Trust Coverage Document, the Borough of Conshohocken shall be provided coverage for the following risks:

1. Commercial General Liability;
2. Business Automobile Liability;
3. Police Professional/Law Enforcement;
4. Public Officials Liability; and
5. Any other risks specified in the Trust Coverage Document.

Section 8. All contributions, premiums and assessments paid by the Borough of Conshohocken shall be made with funds appropriated by the Borough Council for that purpose. If permitted under state and federal law, the Borough of Conshohocken may incur debt for the purpose of financing any excess insurance coverage, as set forth in the Trust Agreement.

Section 9. The organizational structure of the Trust shall consist of a Board of Trustees, an administrator, a claims administrator/loss control consultant and various service agents appointed by the Board of Trustees in accordance with the Trust Agreement.

Section 10. As set forth in the Trust Agreement, the funds required for the operation of the Trust shall be provided by the Trust Participants through annual appropriations.

Section 11. The Delaware Valley Property & Liability Trust commenced operations on January 1, 1989 and will continue until terminated by two thirds (2/3) vote of all Trust Participants.

Section 12. Coverage under the Trust shall be provided from January 1 through December 31 of each Trust year to all Trust Participants in accordance with the Trust Agreement.

Section 13. As a condition of participating in the Delaware Valley Property & Liability Trust, the Borough of Conshohocken agrees to comply with the following conditions:

1. That it will make its initial contribution upon admission to the Trust for creation of the restricted surplus fund needed to protect Trust Participants against potentially catastrophic losses;
2. That it will timely pay all annual premiums and assessments as may be required by the Board of Trustees;
3. That it will appoint a representative to sit on the Board of Trustees and designate a contact person for the purpose of communicating with the Trust or its representatives;
4. That it will not withdraw from the Trust for a period of two (2) years following its admission to the Trust;
5. That it may withdraw from the Trust only upon satisfaction of the conditions set forth in the Trust Agreement;
6. That it agrees to perform all covenants contained in the Trust Agreement and delegate to the Board of Trustees the powers and authorities enumerated in the Trust Agreement;
7. That it will comply with all the conditions set forth in the Trust Coverage Document governing the handling of claims, including the defense and settlement thereof;
8. That it will appropriate the funds needed to pay all contributions, premiums and assessments as may be required by the Board of Trustees in accordance with the Trust Agreement;
9. That it will cooperate with the Trust, its agents or employees and provide the Trust with all information it needs for the operation of the Trust, including any underwriting or claims data which it may be requested by the Board of Trustees or their designee.

Section 14. The Delaware Valley Property & Liability Trust is empowered to enter into contracts for policies of group insurance and employee benefits, including Social Security, for its employees.

Section 15. This Ordinance is being enacted pursuant to the Pennsylvania Intergovernmental Cooperation Law, 53 Pa. C.S.A. §2301, et seq.

Section 16. Repeal and Ratification.

All ordinances or parts of ordinances inconsistent herewith or in conflict with any of the specific terms enacted hereby, to the extent of said inconsistencies or conflicts, are hereby specifically repealed. This Ordinance shall in no other way alter or modify the Borough of Conshohocken Code except as specifically stated herein. Any other terms and provisions of the Code that are unaffected by this Ordinance are hereby reaffirmed and ratified.

Section 17. Severability.

The provisions of this Ordinance are severable, and if any section, sentence, clause, part or provision herein shall be held illegal, invalid or unconstitutional by any Court of competent jurisdiction, such decision of the Court shall not effect or impair the remaining sections, sentences, clauses, parts or provisions of the Ordinance. It is hereby declared to be the intent of the Borough of Conshohocken Council that this Ordinance would have been adopted as if such illegal, invalid or unconstitutional section, sentence, clause, part or provision had not been included herein.

Section 18. Disclaimer.

Nothing in this Ordinance shall be construed to effect any suit or proceeding pending in any court, or any rights acquired or liability incurred, or any permit issued, or any cause or causes of action existing under the ordinances of the Borough of Conshohocken prior to enactment of this Ordinance.

Section 19. Effective Date.

This Ordinance shall become effective immediately as authorized by law.

ORDAINED and ENACTED this _____ day of _____, 2018.

By: _____
Colleen Leonard
President
Conshohocken Borough Council

Attest: _____
Jane Flanagan
Vice President
Conshohocken Borough Council